



**VONPENDE HOLDINGS P.L.C.**  
**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
Period from 1 January 2023 to 30 June 2023

# VONPENDE HOLDINGS P.L.C.

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## REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

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# VONPENDE HOLDINGS P.L.C.

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Georgios Koufaris  
Marina Tsoy  
Nicos Athanasiou

**Company Secretary:**

KC Secretarial Services Ltd

**Independent Auditors:**

CEA Audit  
Certified Public Accountants and Registered Auditors  
8 Kennedy Avenue  
Athienitis Building  
4th floor, Office 401  
1087 Nicosia

**Business address:**

Akamantis Business Center  
Egypt street, 10 Office no.306  
3rd floor, P.C. 1097, Nicosia, Cyprus

**Registered office:**

Angelou Terzaki Street, 110  
Office No.4, 2402  
Egkomi, Nicosia  
Cyprus

**Bankers:**

Credit Suisse AG, Switzerland  
EcommBX Limited, Cyprus  
Bank Internationale a Luxembourg (Suisse) SA  
Mirabaud (Middle East) Limited, United Arab Emirates  
Mirabaud & Cie Ltd, Zurich, Switzerland  
JSC Bank "National Standard", Russia

**Registration number:**

HE216944

# VONPENDE HOLDINGS P.L.C.

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## MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of Vonpende Holdings P.L.C. ("the Company") and its subsidiaries (together with the Company, the "Group") for the period from 1 January 2023 to 30 June 2023.

### **Principal activities and nature of operations of the Group**

The principal activities of the Group comprise the trading in financial instruments, the receiving and granting of loans, the ownership of commercial property, the distribution and provision of telecommunication equipment and the completion of networking solutions, wireless and wired. Additionally, the Group invests in marketable securities via high caliber local and international financial institutions and brokers and is actively investing and seeking opportunities in the real estate industry in Cyprus and abroad.

### **Review of current position, future developments and performance of the Group's business**

The Group's development to date, financial results and position as presented in the consolidated financial statements are considered satisfactory.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Group are disclosed in notes 6, 7, 31 and 34 of the consolidated financial statements.

### **Implementation and compliance to the Code of Corporate Governance**

The Group recognises the importance of implementing sound corporate governance policies, practices and procedures. As the parent company is listed on the Cyprus Stock Exchange (CSE), the Company has adopted CSE's Corporate Governance Code and applies its principles.

In January 2019 the CSE issued a revised Code of Corporate Governance. The Group complies with all the provisions of the revised Code.

The Board of Directors of the Company and consequently Vonpende Group (comprising of the Company and its Subsidiaries, both in Cyprus and abroad, as listed in Note 33, herein) has corporate responsibility in relation to the Investments of the Companies Under Supervision (as defined in the Group Investments Operations Manual of the Company, comprising of the Subsidiaries which do not have their own investment committees) and the Company itself. In this respect, the Vonpende Group's investment decision making depends on the Investment Committee's recommendations which are the foundations for the Board of Director's review and approval of investment transactions, if a review and approval of the Investment Committee and adoption of the Board of Directors of the Company and (or) Companies Under Supervision are required.

Furthermore, the primary responsibility of the Investment Committee is to oversee the evaluation of anticipated investments and report at regular intervals to the Board of Directors of the Company. In addition, the Investment Committee provides assistance to the Companies Under Supervision, and consequently to the Company, so as to fulfill its oversight responsibility to the shareholders related to the Companies under Supervision, their Investments, and portfolio.

Further, the Investment Committee establishes free and open communications between External Auditors, Internal Accountants, Consultants, Investment Managers, External Asset Managers, the Company and the Companies under Supervision. In discharging its oversight role, the Investment Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and (or) Companies under Supervision.

Finally, the Investment Committee is empowered to revise any decision made by any of the Board of Directors of the Company and (or) the Companies Under Supervision, which is intended to harm the Company's and (or) the Companies' Under Supervision profitability.

### **Results**

The Group's results for the period are set out on page 7.

### **Dividends**

The Board of Directors of the Company does not recommend the payment of a dividend and the net profit for the year is retained.

# VONPENDE HOLDINGS P.L.C.

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## MANAGEMENT REPORT

### **Share capital**

There were no changes in the share capital of the Company during the period under review.

### **Board of Directors**

The members of the Group's Board of Directors as at 30 June 2023 and at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### **Operating Environment of the Group**

Any significant events that relate to the operating environment of the Group are described in note 31 to the consolidated financial statements.


### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 37 to the consolidated financial statements.

### **Independent Auditors**

The Independent Auditors, CEA Audit, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Georgios Koufaris  
Director

Nicosia, 29 September 2023

## Independent Auditor's Report

### To the Members of Vonpende Holdings P.L.C.

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of Vonpende Holdings P.L.C. (the "Company") and its subsidiaries (the "Group"), which are presented in pages 7 to 49 and comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 1 January 2023 to 30 June 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the period from 1 January 2023 to 30 June 2023 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent Auditor's Report (continued)**

### **To the Members of Vopende Holdings P.L.C.**

#### **Responsibilities of the Board of Directors for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Independent Auditor's Report (continued)**

### **To the Members of Vonpende Holdings P.L.C.**

#### **Report on Other Legal Requirements**

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

#### **Other Matter**

This report, including the opinion, has been prepared for and only for the Group's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Demos Nicolaides  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**CEA Audit**  
**Certified Public Accountants and Registered Auditors**

Nicosia, 29 September 2023



# VONPENDE HOLDINGS P.L.C.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2023 to 30 June 2023

	Note	1.1.2023 to 30.6.2023 EUR	1.1.2022 to 30.6.2022 EUR
<b>Revenue</b>	9	<b>36.900.137</b>	31.199.806
Cost of sales	10	<b>(34.500.350)</b>	(24.305.074)
<b>Gross profit</b>		<b>2.399.787</b>	6.894.732
Other operating income	11	<b>52.139</b>	9.721.823
Distribution expenses		<b>(211.337)</b>	(218.183)
Administration expenses	12	<b>(1.255.556)</b>	(973.399)
Other expenses	13	<b>(4.212.465)</b>	(17.755.195)
<b>Operating loss</b>		<b>(3.227.432)</b>	(2.330.222)
Net finance (costs)/income	15	<b>(138.138)</b>	8.521.502
Share of results of associates		-	6.619.959
<b>(Loss)/profit before tax</b>		<b>(3.365.570)</b>	12.811.239
Tax	16	<b>(1.439.223)</b>	(1.616.235)
<b>Net (loss)/profit for the period</b>		<b>(4.804.793)</b>	11.195.004
<b>Other comprehensive income</b>			
Financial assets at fair value through other comprehensive income - Fair value (losses)/gains		<b>(5.603.118)</b>	13.595.835
Financial assets at fair value through other comprehensive income - transfer to retained earnings due to liquidation		-	45.749
<b>Other comprehensive (loss)/ income for the period</b>		<b>(5.603.118)</b>	13.641.584
<b>Total comprehensive (loss)/ income for the period</b>		<b>(10.407.911)</b>	24.836.588
<b>Net (loss)/ profit for the year attributable to:</b>			
Equity holders of the parent Company		<b>(4.831.600)</b>	10.914.248
Non-controlling interests		<b>26.807</b>	280.756
<b>Net (loss)/profit for the period</b>		<b>(4.804.793)</b>	11.195.004
<b>Total comprehensive (loss)/ income for the period attributable to:</b>			
Equity holders of the parent Company		<b>(10.434.718)</b>	24.555.832
Non-controlling interests		<b>26.807</b>	280.756
<b>Total comprehensive (loss)/ income for the period</b>		<b>(10.407.911)</b>	24.836.588
<b>(Loss)/ profit per share attributable to equity holders of the parent Company (EUR)</b>	17	<b>(8,01)</b>	18,66

The notes on pages 14 to 49 form an integral part of these consolidated financial statements.

# VONPENDE HOLDINGS P.L.C.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	Note	30 June 2023 EUR	31 December 2022 EUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		93.414	90.095
Investment properties	18	3.764.216	3.765.709
Goodwill		740.321	740.321
Investments in subsidiaries	19	35.101.607	40.690.524
Investments in associates	20	9.895.493	12.115.986
Financial assets at fair value through other comprehensive income	21	623.343	613.960
Loans receivable	22	677.555.933	744.233.134
		<u>727.774.327</u>	<u>802.249.729</u>
<b>Current assets</b>			
Inventories	23	10.005.590	9.029.283
Trade and other receivables	24	9.919.615	17.729.954
Loans receivable	22	20.575.446	28.501.645
Financial assets at fair value through profit or loss	25	123.344.756	113.109.142
Cash and cash equivalents	26	26.109.877	26.217.657
		<u>189.955.284</u>	<u>194.587.681</u>
<b>Total assets</b>		<u><b>917.729.611</b></u>	<u><b>996.837.410</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	27	7.500.000	7.500.000
Share premium		3.761.753	3.761.753
Fair value reserve - Financial assets at fair value through other comprehensive income		(34.636.863)	(29.033.745)
Non-refundable advances		353.933	353.933
Translation reserve		2.419.957	2.419.957
Retained earnings		99.886.971	104.718.571
Non-controlling interests		9.613.614	9.586.807
<b>Total equity</b>		<u><b>88.899.365</b></u>	<u><b>99.307.276</b></u>
<b>Non-current liabilities</b>			
Borrowings	28	705.715.217	843.214.685
		<u>705.715.217</u>	<u>843.214.685</u>
<b>Current liabilities</b>			
Trade and other payables	29	13.535.304	13.778.650
Borrowings	28	109.350.139	40.535.425
Current tax liabilities	30	229.586	1.374
		<u>123.115.029</u>	<u>54.315.449</u>
<b>Total liabilities</b>		<u><b>828.830.246</b></u>	<u><b>897.530.134</b></u>
<b>Total equity and liabilities</b>		<u><b>917.729.611</b></u>	<u><b>996.837.410</b></u>

The notes on pages 14 to 49 form an integral part of these consolidated financial statements.

# VONPENDE HOLDINGS P.L.C.

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On 29 September 2023 the Board of Directors of Vonpende Holdings P.L.C. authorised these consolidated financial statements for issue.

  
.....  
Georgios Koufaris  
Director

  
.....  
Nicos Athanasiou  
Director

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The notes on pages 14 to 49 form an integral part of these consolidated financial statements.

# VONPENDE HOLDINGS P.L.C.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2023 to 30 June 2023

	Attributable to equity holders of the Company							Total EUR	Total EUR
	Share capital EUR	Share premium EUR	Share comprehensive income EUR	Non- refundable advances EUR	Translation reserve EUR	Retained earnings EUR	Non- controlling interests EUR		
<b>Balance at 1 January 2022</b>	<b>7.500.000</b>	<b>3.761.753</b>	<b>(32.063.268)</b>	<b>353.933</b>	<b>9.896.424</b>	<b>98.878.221</b>	<b>8.115.387</b>	<b>88.327.063</b>	<b>96.442.450</b>
<b>Comprehensive income</b>									
Net profit for the period	-	-	-	-	-	10.914.248	280.756	10.914.248	11.195.004
<b>Other comprehensive income</b>									
Fair value adjustment	-	-	13.595.835	-	-	-	-	13.595.835	13.595.835
Transfer to retained earnings due to disposal	-	-	45.749	-	-	(45.749)	-	-	-
Other comprehensive income for the period	-	-	13.641.584	-	-	(45.749)	-	13.595.835	13.595.835
Total comprehensive income for the period	-	-	13.641.584	-	-	10.868.499	-	24.510.083	24.790.839
<b>Balance at 30 June 2022</b>	<b>7.500.000</b>	<b>3.761.753</b>	<b>(18.421.684)</b>	<b>353.933</b>	<b>9.896.424</b>	<b>109.746.720</b>	<b>8.396.143</b>	<b>112.837.146</b>	<b>121.233.289</b>
<b>Balance at 31 December 2022/ 1 January 2023</b>	<b>7.500.000</b>	<b>3.761.753</b>	<b>(29.033.745)</b>	<b>353.933</b>	<b>2.419.957</b>	<b>104.718.571</b>	<b>9.586.807</b>	<b>89.720.469</b>	<b>99.307.276</b>
<b>Comprehensive income</b>									
Net loss for the period	-	-	-	-	-	(4.831.600)	26.807	(4.831.600)	(4.804.793)

The notes on pages 14 to 49 form an integral part of these consolidated financial statements.

# VONPENDE HOLDINGS P.L.C.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2023 to 30 June 2023

	Note	Attributable to equity holders of the Company							Total EUR
		Share capital EUR	Share premium EUR	Share comprehensive income EUR	Non- refundable advances EUR	Translation reserve EUR	Retained earnings EUR	Non- controlling interests EUR	
<b>Other comprehensive income</b>									
Fair value adjustment		-	-	(5.603.118)	-	-	-	(5.603.118)	(5.603.118)
Other comprehensive loss for the period		-	-	(5.603.118)	-	-	-	(5.603.118)	(5.603.118)
Total comprehensive loss for the period		-	-	(5.603.118)	-	-	(4.831.600)	(10.434.718)	(10.407.911)
<b>Balance at 30 June 2023</b>		<b>7.500.000</b>	<b>3.761.753</b>	<b>(34.636.863)</b>	<b>353.933</b>	<b>2.419.957</b>	<b>99.886.971</b>	<b>79.285.751</b>	<b>88.899.365</b>

The notes on pages 14 to 49 form an integral part of these consolidated financial statements.

# VONPENDE HOLDINGS P.L.C.

## CONSOLIDATED CASH FLOW STATEMENT

Period from 1 January 2023 to 30 June 2023

	Note	1.1.2023 to 30.06.2023 EUR	1.1.2022 to 30.6.2022 EUR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>(Loss)/profit before tax</b>		<b>(3.365.570)</b>	12.811.239
Adjustments for:			
Depreciation of property, plant and equipment		9.558	276
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		(8.494.141)	(27.111.860)
Share of profit from associates		-	(6.619.959)
Profit from the sale of investment properties		(53.632)	-
Fair value losses/(gains) on investment property		1.493	(9.704.200)
Fair value losses on financial assets at fair value through profit or loss		243.190	3.136.199
Impairment charge - investments in associates	20	2.220.493	-
Amount receivable written off	13	1.285.742	-
Impairment charge - other receivables		20.501	-
Dividend income	9	(79.925)	(159.228)
Interest income	9	(24.868.740)	(23.294.174)
Interest expense		23.617.292	18.400.429
Loss from sale of investment property		-	13.939.676
Bad debts		100.000	-
		<b>(9.363.739)</b>	<b>(18.601.602)</b>
<b>Changes in working capital:</b>			
Increase in inventories		(976.307)	(2.128.403)
Decrease/(increase) in trade and other receivables		7.810.339	(2.212.980)
Increase in financial assets at fair value through profit or loss		(1.960.313)	(5.304.389)
(Increase)/decrease in bank deposits		(233.943)	9.341.933
(Decrease)/increase in trade and other payables		(243.346)	1.225.768
<b>Cash used in operations</b>		<b>(4.967.309)</b>	<b>(17.679.673)</b>
Interest received		19.835.463	22.600.349
Dividends received		79.925	159.228
Tax paid		(1.304.367)	(1.594.718)
<b>Net cash generated from operating activities</b>		<b>13.643.712</b>	<b>3.485.186</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment		(9.651)	-
Payment for purchase of investments in subsidiaries	19	(23.583)	-
Payment for purchase of investments in associated undertakings		-	(288.548)
Loans granted		(6.100.000)	(49.103.407)
Loans repayments received		104.293.147	-
Proceeds from sale of investment properties		53.632	17.264.896
Proceeds from sale of investments in associated undertakings		-	274.598
Interest received		-	9.164
<b>Net cash generated from/(used in) investing activities</b>		<b>98.213.545</b>	<b>(31.843.297)</b>

The notes on pages 14 to 49 form an integral part of these consolidated financial statements.

# VONPENDE HOLDINGS P.L.C.

## CONSOLIDATED CASH FLOW STATEMENT

Period from 1 January 2023 to 30 June 2023

	1.1.2023 to 30.06.2023	1.1.2022 to 30.6.2022
	EUR	EUR
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of borrowings	(88.776.435)	-
Proceeds from borrowings	-	50.334.353
Interest paid	(23.422.545)	(18.267.341)
<b>Net cash (used in)/generated from financing activities</b>	<b>(112.198.980)</b>	<b>32.067.012</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(341.723)</b>	<b>3.708.901</b>
Cash and cash equivalents at beginning of the period	<u>6.909.714</u>	<u>15.134.616</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>6.567.991</u></b>	<b><u>18.843.517</u></b>

The notes on pages 14 to 49 form an integral part of these consolidated financial statements.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Vonpende Holdings P.L.C. (the "Company") was incorporated in Cyprus on 20 December, 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Angelou Terzaki Street, 110, Office No.4, 2402, Egkomi, Nicosia, Cyprus. Its business address at Akamantis Business Center, Egypt street, 10, Office no. 306, 3rd floor, P.C. 1097, Nicosia, Cyprus.

#### Principal activities

The principal activities of the Group comprise the trading in financial instruments, the receiving and granting of loans, the ownership of commercial property, the distribution and provision of telecommunication equipment and the completion of networking solutions, wireless and wired. Additionally, the Group invests in marketable securities via high caliber local and international financial institutions and brokers and is actively investing and seeking opportunities in the real estate industry in Cyprus and abroad.

### 2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investments in subsidiary companies which are classified as financial assets at fair value through other comprehensive income and measured at fair value, investment properties measured at fair value and financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

### 3. Adoption of new or revised standards and interpretations

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023. This adoption did not have a material effect on the accounting policies of the Group.

### 4. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

#### Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group's consolidated financial statements are comprised of the financial statements of the parent company Vonpende Holdings P.L.C. and the financial statements of the following subsidiaries: "Wing Hang Enterprises (Cyprus) Limited", "Kirnione Holdings Limited", "Winncom Technologies Holding Limited" (the "Irish Group"), "Alodie Properties Limited", "Elbridge Investments (Cyprus) Limited", "Lostmperi Holdings Ltd" and its subsidiary "Aeliano Enterprises Limited". The "Irish Group" consists of "Winncom Technologies Holding Limited" and its subsidiary "Winncom Technologies EU Limited".



# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Basis of consolidation (continued)

The financial statements of all the Group companies are prepared using uniform IFRS accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Business combinations (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

#### Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

#### Revenue

Revenue is recognised on the following basis:

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Revenue recognition (continued)

- **Sale of products**

Sales of products are recognised at the point in time when the Group satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

- **Rendering of services**

*Rendering of services - over time:*

Revenue from rendering of services is recognised over time while the Group satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

*Rendering of services - at a point in time:*

The Group concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

The difference between the fair value of investments at fair value through profit or loss as at 30 June 2023 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of financial assets at fair value through other comprehensive income are recognised in other comprehensive income and then included in the fair value reserve in equity. When financial assets at fair value through other comprehensive income are sold or impaired, the accumulated fair value adjustments are transferred to retained earnings.

- **Rental income**

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Revenue recognition (continued)

- **Dividend income**

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

#### Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

#### Finance income

Interest income is recognised on a time-proportion basis using the effective method.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Foreign currency translation

**(1) Functional and presentation currency**

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (EUR), which is the Group's functional and presentation currency.

**(2) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

#### Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### Dividends

Dividend distribution to the Company's shareholders is recognised in the Group's financial statements in the year in which they are approved by the Company's shareholders.

#### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Property, plant and equipment (continued)

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

Furniture, fixtures and office equipment	%
Computer hardware and operating systems	10
Office equipment	20
	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Investment properties

Investment properties, represent mainly investment in land in Egkomi, Cyprus which is held for capital appreciation and carried at fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

#### Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### Financial assets

##### Financial assets - Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - Classification (continued)

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

##### Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - Measurement (continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

##### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Group's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the consolidated statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

##### **Financial assets - impairment - credit loss allowance for ECL**

The Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - impairment - credit loss allowance for ECL (continued)

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

##### Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

##### Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

##### Financial assets - modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.



# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and cash with brokers. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

##### Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery.

##### Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

##### Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

##### Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

#### Financial liabilities - Modifications

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 4. Significant accounting policies (continued)

#### Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

#### Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

#### Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

#### Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

### 5. New accounting pronouncements

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

### 6. Financial risk management

#### Financial risk factors

The Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

##### 6.1 Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Group's financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Group's market price risk is managed through diversification of the investment portfolio.

##### 6.2 Cash flow and fair value interest rate risk

The Group's interest rate risk arises from interest-bearing assets and long term borrowings. Interest-bearing assets and borrowings at variable rates expose the Group to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 6. Financial risk management (continued)

#### 6.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, loans receivable and contractual cash flows of debt investments measured at amortised cost and outstanding receivables.

##### *(i) Risk management*

Credit risk is managed on a group basis.

For banks and financial institutions, only parties whom management has internally assessed as financially healthy and stable are accepted.

For counterparties with no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

These policies enable the Group to reduce its credit risk significantly.

##### *(ii) Impairment of financial assets*

The Group has the following types of financial assets that are subject to the expected credit loss model:

- trade and other receivables
- financial assets at amortised cost (loans receivables with related and third parties)
- cash and cash equivalents

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

##### *Significant increase in credit risk*

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 6. Financial risk management (continued)

#### 6.3 Credit risk (continued)

##### *(ii) Impairment of financial assets (continued)*

- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Group and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

##### *Low credit risk*

The Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

##### *Default*

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

##### *Write-off*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a debt financial asset for write off when a debtor fails to make contractual payments for a prolonged period of time. Where debt financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 6. Financial risk management (continued)

#### 6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

#### Financial assets at amortised cost

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 180 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

#### Loans to related and third parties

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 30 June 2023 and 31 December 2022:

#### Group internal credit rating

	30 June 2023	31 December 2022
Performing	<b>EUR 671.007.826</b>	EUR 739.600.471
Underperforming	<b>27.123.553</b>	33.134.308
<b>Total</b>	<b><u>698.131.379</u></b>	<u>772.734.779</u>

Portion of the Group's loans receivable is secured and pledged by various parties, for the timely and full performance of the contractual obligations on those loans receivable.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 6. Financial risk management (continued)

#### 6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

##### Trade and other receivables

For trade and other receivables lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 30 June 2023 and 31 December 2022:

Group internal credit rating	30 June 2023	31 December 2022
	EUR	EUR
Performing	<u>6.738.252</u>	<u>14.132.056</u>
<b>Total</b>	<b><u>6.738.252</u></b>	<b><u>14.132.056</u></b>

During the period under review, promissory notes receivable amounting to EUR1.285.742 were written off (Note 13).

There were no significant other receivables written off during the period that are subject to enforcement activity.

##### Cash and cash equivalents

The Group assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 30 June 2023 and 31 December 2022:

Group internal credit rating	30 June 2023	31 December 2022
	EUR	EUR
Performing	<u>26.109.877</u>	<u>26.217.657</u>
<b>Total</b>	<b><u>26.109.877</u></b>	<b><u>26.217.657</u></b>

The ECL on current accounts is considered to be approximate to zero, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Group does not hold any collateral as security for any cash at bank balances. Most of the Group's cash and cash equivalents are eligible for participation and are partly covered by the Deposit Guarantee Scheme. In this respect, the Group's exposure at default is minimised and the identified impairment loss (ECL) is immaterial.

The Group's cash and cash equivalents held with Skanestas Investments Ltd and Argus Stockbrokers Ltd, Investment Firms operating in Cyprus and with Ecomm BX Ltd (Electronic Money Institution) are not eligible for participation in the Deposit Guarantee Scheme of European Union, however the identified impairment loss (ECL) is immaterial.

There were no significant cash at bank balances written off during the period that are subject to enforcement activity.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 6. Financial risk management (continued)

#### 6.3 Credit risk (continued)

(iii) Net impairment losses on financial assets recognised in profit or loss

During the period, the following losses were recognised in profit or loss in relation to impaired financial assets and contract assets:

Impairment losses	1.1.2023 to 30.6.2023 EUR	1.1.2022 to 30.6.2022 EUR
Impairment charge - other receivables	(20,501)	-
<b>Net impairment loss on financial assets</b>	<b>(20,501)</b>	<b>-</b>

#### 6.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

#### 6.5 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Russian Ruble. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

#### 6.6 Capital risk management

Capital includes equity shares, share premium and non refundable advances.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year.

#### Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

### 7. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 7. Critical accounting estimates, judgments and assumptions (continued)

#### *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Calculation of loss allowance**

When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Provision for obsolete and slow-moving inventory**

The Group reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on Management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory.

The amount of provision is recognised in profit or loss. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### *Critical judgements in applying the Group's accounting policies*

- **Fair value of investment property**

The fair value of investment property is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 7. Critical accounting estimates, judgments and assumptions (continued)

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Impairment of investments in associates**

The Group periodically evaluates the recoverability of investments in associates, whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries/associates may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Valuation of non-listed investments**

The Group uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

- **Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

### 8. Fair value measurement

The table below analyses assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 8. Fair value measurement (continued)

30 June 2023	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
<b>Assets measured at fair value</b>				
<b>Investment properties (Note 18)</b>				
Investment in land and properties	-	-	3.764.216	3.764.216
<b>Financial assets at fair value through other comprehensive income</b>				
Investment in subsidiaries (Note 19)	-	-	35.101.607	35.101.607
Non listed equity securities (Note 21)	-	-	623.343	623.343
<b>Financial assets at fair value through profit or loss (Note 25)</b>				
Equity securities listed on a Stock Exchange	23.946.322	-	-	23.946.322
Debt securities listed on a Stock Exchange	77.926.239	-	-	77.926.239
Non listed equity securities	-	-	21.472.195	21.472.195
<b>Total</b>	<b>101.872.561</b>	<b>-</b>	<b>60.961.361</b>	<b>162.833.922</b>
31 December 2022	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
<b>Assets measured at fair value</b>				
<b>Investment properties (Note 18)</b>				
Investment in land and properties	-	-	3.765.709	3.765.709
<b>Financial assets at fair value through other comprehensive income</b>				
Investment in subsidiaries (Note 19)	-	-	40.690.524	40.690.524
Non listed equity securities (Note 21)	-	-	613.960	613.960
<b>Financial assets at fair value through profit or loss (Note 25)</b>				
Equity securities listed on a Stock Exchange	23.239.417	-	-	23.239.417
Debt securities listed on a Stock Exchange	69.238.264	-	-	69.238.264
Non listed equity securities	-	-	20.631.461	20.631.461
<b>Total</b>	<b>92.477.681</b>	<b>-</b>	<b>65.701.654</b>	<b>158.179.335</b>

#### Transfers between levels

There have been no transfers between different levels during the period.

#### Valuation techniques

##### Listed investments

The fair values of investments traded on active liquid markets are determined with reference to quoted market prices. These investments are included within Level 1 of the hierarchy.

##### Non-listed investments

The fair values of non-listed securities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. The Group classifies the fair value of these investments as Level 3.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 8. Fair value measurement (continued)

#### Reconciliation of Level 3 fair value measurements

	Non-listed equity securities at fair value through profit or loss	Investment in subsidiaries	Investment properties	Equity securities at fair value through other comprehensive income	Total
	EUR	EUR	EUR	EUR	EUR
<b>Balance at 1 January</b>	<b>20.631.461</b>	<b>40.690.524</b>	<b>3.765.709</b>	<b>613.960</b>	<b>65.701.654</b>
Additions	1.352.338	23.583	-	-	1.375.921
Disposals	(455.734)	-	-	-	(455.734)
Exchange difference	(588.077)	-	-	-	(588.077)
Fair value adjustment in OCI	-	(5.612.500)	-	9.383	(5.603.117)
Total gains or losses: in profit or loss	532.207	-	(1.493)	-	530.714
<b>Balance at 30 June</b>	<b>21.472.195</b>	<b>35.101.607</b>	<b>3.764.216</b>	<b>623.343</b>	<b>60.961.361</b>

#### Information about fair value measurements using significant unobservable inputs (Level 3)

<u>Description</u>	<u>Fair value at 30 June 2023</u>	<u>Valuation technique</u>
	EUR	
Non-listed securities	21.472.195	Discounted cash flow
Investment in subsidiaries	35.101.607	Net asset value
Investment properties	3.764.216	Residual method
Financial assets at fair value through other comprehensive income	623.343	Net asset value
<u>Description</u>	<u>Fair value at 31 December 2022</u>	<u>Valuation technique</u>
	EUR	
Non-listed securities	20.631.461	Discounted cash flow
Investment in subsidiaries	40.690.524	Net asset value
Investment properties	3.765.709	Residual method
Financial assets at fair value through other comprehensive income	613.960	Net asset value

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 9. Revenue

	1.1.2023 to 30.6.2023	1.1.2022 to 30.6.2022
	EUR	EUR
Rendering of services	14.723	10.349
Sales	12.138.093	6.962.951
Dividend income	79.925	159.228
Interest income	24.868.740	23.285.010
Net (loss)/ profit from trading activities	(201.344)	782.268
	<u>36.900.137</u>	<u>31.199.806</u>

### 10. Cost of sales

	1.1.2023 to 30.6.2023	1.1.2022 to 30.6.2022
	EUR	EUR
Purchases	10.799.713	5.411.628
Interest expense	23.700.637	18.893.446
	<u>34.500.350</u>	<u>24.305.074</u>

### 11. Other operating income

	1.1.2023 to 30.6.2023	1.1.2022 to 30.6.2022
	EUR	EUR
Other income	-	17.623
Profit from sales of investment properties	53.632	-
Fair value (loss)/gains on investment property (Note 18)	(1.493)	9.704.200
	<u>52.139</u>	<u>9.721.823</u>

### 12. Administration expenses

	1.1.2023 to 30.6.2023	1.1.2022 to 30.6.2022
	EUR	EUR
Directors' fees and staff costs	310.940	241.175
Rent	17.580	17.646
Directors' services	28.855	35.068
Annual levy	2.450	2.100
Services paid	109.071	127.681
Auditors' remuneration - current period	59.834	50.168
Auditors' remuneration - prior years	21.600	16.503
Accounting fees	4.000	4.000
Legal fees	32.164	36.889
Other professional fees	273.138	223.410
Other expenses	182.596	165.402
Custodian fees	203.770	53.081
Depreciation	9.558	276
	<u>1.255.556</u>	<u>973.399</u>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 13. Other expenses

	<b>1.1.2023 to 30.6.2023</b>	1.1.2022 to 30.6.2022
	EUR	EUR
Bad debts	<b>100.000</b>	-
Other expenses	<b>191.403</b>	-
Net foreign exchange loss	<b>151.136</b>	518.272
Property right expenses	-	161.048
Loss from sales of investment properties (Note 18)	-	13.939.676
Fair value loss on financial assets at fair value through profit or loss (Note 25)	<b>243.190</b>	3.136.199
Impairment charge - investment in associate (Note 20)	<b>2.220.493</b>	-
Amount receivable written off	<b>1.285.742</b>	-
Impairment charge - other receivables	<b>20.501</b>	-
	<b><u>4.212.465</u></b>	<b><u>17.755.195</u></b>

### 14. Staff costs

	<b>2023</b>	2022
	EUR	EUR
Salaries	<b>273.468</b>	232.732
Social security costs	<b>33.719</b>	32.719
	<b><u>307.187</u></b>	<b><u>265.451</u></b>
Average number of employees	<b><u>13</u></b>	<b><u>16</u></b>

### 15. Finance income/(costs)

	<b>1.1.2023 to 30.6.2023</b>	1.1.2022 to 30.6.2022
	EUR	EUR
Interest income	-	9.164
Exchange profit	-	8.650.411
<b>Finance income</b>	<b><u>-</u></b>	<b><u>8.659.575</u></b>
Sundry finance expenses	<b><u>(138.138)</u></b>	<b><u>(138.073)</u></b>
<b>Finance costs</b>	<b><u>(138.138)</u></b>	<b><u>(138.073)</u></b>
<b>Net finance (costs)/income</b>	<b><u>(138.138)</u></b>	<b><u>8.521.502</u></b>

### 16. Tax

	<b>1.1.2023 to 30.6.2023</b>	1.1.2022 to 30.6.2022
	EUR	EUR
Corporation tax	<b>70.980</b>	32.618
Overseas tax	<b>1.368.243</b>	1.582.243
Defence contribution	-	1.374
<b>Charge for the period</b>	<b><u>1.439.223</u></b>	<b><u>1.616.235</u></b>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 17. (Loss)/ profit per share attributable to the owners of the parent Company

	1.1.2023 to 30.6.2023	1.1.2022 to 30.6.2022
(Loss)/profit attributable to owners (EUR)	<u>(4.804.793)</u>	11.195.004
Weighted average number of ordinary shares in issue during the period	<u>600.000</u>	<u>600.000</u>
(Loss)/ profit per share attributable to the owners of the Company (EUR)	<u><u>(8.01)</u></u>	<u>18.66</u>

The Company's share price as at 30 June 2023 in Cyprus Stock Exchange Emerging Companies Market was EUR16,60 (31 December 2022: EUR 16,60).

### 18. Investment properties

	30 June 2023	31 December 2022
	EUR	EUR
Balance at 1 January	3.765.709	25.621.674
Additions	-	8.744
Disposals	-	(17.264.896)
Loss from sale of investment in construction project (Note 13)	-	(13.939.676)
Fair value adjustment (Note 11)	<u>(1.493)</u>	<u>9.339.863</u>
<b>Balance at 30 June/31 December</b>	<b><u>3.764.216</u></b>	<b><u>3.765.709</u></b>

Investment properties consist of a plot of land and commercial property.

During 2022 and due to the current economic and political instability in countries worldwide, sudden sharp increase in the global interest rates, fluctuations on foreign exchange market and related difficulties in estimations of the extent of negative effect of these factors on the business activities, the Management decided to dispose off its contribution into a shopping and entertainment project through which a permanent establishment was maintained, realising a loss on disposal amounting to RUB 807.400.000 (equivalent to EUR13.939.676) (Note 13).

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 19. Investments in subsidiaries

	30 June 2023	31 December 2022
	EUR	EUR
Balance at 1 January	40.690.524	37.534.444
Additions	23.583	-
Fair value adjustment	<u>(5.612.500)</u>	<u>3.156.080</u>
<b>Balance at 30 June/31 December</b>	<b><u>35.101.607</u></b>	<b><u>40.690.524</u></b>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	30 June 2023	31 December 2022
			Holding %	Holding %
LLC "Business Active"	Russia	Activity in the field of Law	90	90
LLC "Hotel"	Russia	Purchase and sale of own non- residential immovable property	100	100
LLC "Community-Group"	Russia	Letting and management of own and rented realty	100	100
CJSC "Ezhin-1"	Russia	Letting and management of own and rented realty	100	100
CJSC "Kapmar-1"	Russia	Letting and management of own and rented untenantable realty	100	100
LLC "Estate Finance"	Russia	Wholesale non- specialized	70	70
LLC "MBK"	Russia	Activity in the field of law	100	100
CJSC "VIMS"	Russia	Investments in securities	100	100
JSC "Trading Town "Cheremushkinskiy"	Russia	Letting of own realty	56,001	56,001
CJSC "Astra Vosem"	Russia	Letting of own and rented untenantable realty	100	100
LLC "NITS"	Russia	Letting and management of own or rented untenantable realty	100	100
Kruszywa Skalne Sp. z o.o	Poland	Mining and quarrying activity	89,75	89,75
Winncom Technologies Corp.	United States	Network solutions and distribution	67	67



# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 19. Investments in subsidiaries (continued)

Winncom Technologies CA Limited	Uzbekistan	Network distribution	67	67
Winncom Hungary Trading and Services Limited	Hungary	Network distribution	67	67
Winncom Technologies EMEA LLC	United States	Network distribution	67	67
Glasborini Developments Limited	Cyprus	Ownership and leasing of immovable property and that of short-term financing activities	100	100

Involvement with unconsolidated entities.

The Group did not consolidate the above subsidiaries as they are individually and collectively immaterial to consolidate.

### 20. Investments in associates

	30 June 2023	31 December 2022
	EUR	EUR
Balance at 1 January	12.115.986	12.424.319
Additions	-	874.486
Net impairment charge (Note 13)	(2.220.493)	(2.039.146)
Share of results of associates	-	1.130.925
Other movement	-	(274.598)
<b>Balance at 30 June/31 December</b>	<b>9.895.493</b>	<b>12.115.986</b>

The details of the investments are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>30 June 2023 Holding %</u>	<u>31 December 2022 Holding %</u>	<u>30 June 2023 EUR</u>	<u>31 December 2022 EUR</u>
Grenton Spolka	Poland	Innovative technology	24.99	24.99	783.844	735.096
Duna Terasz Premium Ingatlanforgal mazo KFT	Hungary	Real estate	20	20	1.005	1.005
JSC Novco	Russia	Financial mediation	33.33	33.33	8.826.613	11.095.854
Key Vision Project S.L	Spain	Holding Company	45	45	284.031	284.031
					<b>9.895.493</b>	<b>12.115.986</b>

Key Vision Project S.L. was incorporated during 2022, as a parent business entity and absorbed Key Altea Grande S.L, Key Premium Development S.L and Key Enterprises Developments S.L., and is engaged in controlling stocks and membership interest of the absorbed companies.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 21. Financial assets at fair value through other comprehensive income

	30 June 2023	31 December 2022
	EUR	EUR
Balance at 1 January	613.960	786.267
Fair value adjustment	9.383	(172.307)
<b>Balance at 30 June/31 December</b>	<b>623.343</b>	<b>613.960</b>

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	30 June 2023 Holding %	31 December 2022 Holding %
Bragi GmbH	Germany	Wearable technology software development	6,26	6,36
Duna Terasz Grande Ingatlanforgalmazó KFT	Hungary	Real estate	7,50	7,50
D&B Real-Estate Investment KFT	Hungary	Real estate	7,50	7,50
Duna Terasz Green	Hungary	Real estate	7,50	7,50
Duna Terasz Admin	Hungary	Real estate	7,50	7,50

During the period under review, the Group's investment Bragi GmbH increased its issued share capital however the Group's shareholding was diluted since no additional contribution was made.

During 2022, the Group's investment D&B Real-Estate Investment KFT was demerged. Following the demerger the Group owns 7.50% shareholding in D&B Real-Estate Investment KFT and 7.50% in each of the new Hungarian Companies created after the demerger (in Duna Terasz Green and Duna Terasz Admin).

The Group's investment in the share capital of Duna Terasz Ingatlanforgalmazó Grande KFT was pledged for securing the amount of HUF 22.922.357.000 (equivalent to Euro 61.628.515 approximately), which corresponds to the loan facility received by Duna Terasz Ingatlanforgalmazó Grande KFT from a financial institution.

### 22. Loans receivable

	30 June 2023	31 December 2022
	EUR	EUR
Loans receivable	613.101.771	685.838.329
Loans to related parties (Note 32.1)	96.018.199	97.885.041
Loss allowance on loans receivable	(10.988.591)	(10.988.591)
	698.131.379	772.734.779
Less current portion	(20.575.446)	(28.501.645)
Non-current portion	677.555.933	744.233.134

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 22. Loans receivable (continued)

The loans are repayable as follows:

	30 June 2023	31 December 2022
	EUR	EUR
Within one year	20.575.446	28.501.645
Between one and five years	677.555.933	743.904.353
After five years	-	328.781
	<u>698.131.379</u>	<u>772.734.779</u>

The exposure of the Group to credit risk in relation to loans receivable is reported in note 6 of the consolidated financial statements.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

Portion of the Group's loans receivable is secured and pledged by various parties, for the timely and full performance of the contractual obligations on those loans receivable.

The loan to a third party is secured by mortgage against 529.805 ordinary shares of nominal value of EUR 1 each of the subsidiary company Aeliano Enterprises Limited (Cyprus), which are held by the individual party, for securing the corresponding amount

### 23. Inventories

	30 June 2023	31 December 2022
	EUR	EUR
Finished products and goods for resale	10.005.590	9.029.283
	<u>10.005.590</u>	<u>9.029.283</u>

The cost of inventories recognised as expense and included in "cost of sales" amounted to EUR11.952.639 (30 June 2022: EUR5.411.628).

No provision was recognized in cost of sales against stock during the period due to slow moving and obsolete stock.

### 24. Trade and other receivables

	30 June 2023	31 December 2022
	EUR	EUR
Trade receivables	5.526.181	5.640.076
Refundable taxes	-	30.392
Promissory notes receivable	569.388	2.220.851
Receivable from related parties (Note 32.2)	3.181.063	3.552.175
Deposits and prepayments	300	15.331
Other receivables	199.245	5.825.088
Refundable VAT	443.438	446.041
	<u>9.919.615</u>	<u>17.729.954</u>

The Group does not hold any collateral over the trading balances.

Payments to contractors amounting to EUR1.886.303 (31 December 2022: EUR3.126.303), included within trade receivables, relate to payments made for the development of land plots situated in Engomi, Nicosia, Cyprus.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 24. Trade and other receivables (continued)

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the consolidated financial statements.

### 25. Financial assets at fair value through profit or loss

	30 June 2023	31 December 2022
	EUR	EUR
Balance at 1 January	113.109.142	106.074.002
Additions	18.273.523	26.962.804
Disposals	(16.313.210)	(13.819.047)
Change in fair value (Note 13)	(243.190)	(9.078.770)
Interest charged	581.548	9.738.911
Interest received	(557.198)	(9.959.419)
Exchange differences	8.494.141	3.190.661
<b>Balance at 31 December</b>	<b>123.344.756</b>	<b>113.109.142</b>

Financial assets designated as at fair value through profit or loss are analysed as follows:

	30 June 2023	31 December 2022
	EUR	EUR
<b>Financial assets at fair value through profit or loss</b>		
Debt securities listed on a Stock Exchange	77.926.239	69.238.264
Equity securities listed on a Stock Exchange	23.946.322	23.239.417
Non-listed equity securities	21.472.195	20.631.461
	<b>123.344.756</b>	<b>113.109.142</b>

The financial assets at fair value through profit or loss are both marketable and non-listed securities and are valued at market value at the close of business on 30 June by reference to Stock Exchange quoted bid prices or determined by using valuation techniques. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the consolidated cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the consolidated statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 26. Cash and cash equivalents

Cash balances are analysed as follows:

	30 June 2023	31 December 2022
	EUR	EUR
Cash with brokers	419.247	939.759
Cash at Electronic Money Institutions	187.688	395.093
Cash at bank	5.933.748	5.562.281
Visa cards	27.308	12.581
Bank deposits	19.541.886	19.307.943
	<u>26.109.877</u>	<u>26.217.657</u>

The effective interest rates on short-term bank deposits vary between 3,15% to 4,86%.

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the consolidated financial statements.

### 27. Share capital

	30 June 2023	30 June 2023	31 December 2022	31 December 2022
	Number of shares	EUR	Number of shares	EUR
<b>Authorised</b>				
Ordinary shares of EUR 12,50 each	<u>600.000</u>	<u>7.500.000</u>	<u>600.000</u>	<u>7.500.000</u>
	<u>600.000</u>	<u>7.500.000</u>	<u>600.000</u>	<u>7.500.000</u>
<b>Issued and fully paid</b>				
Balance at 1 January	<u>600.000</u>	<u>7.500.000</u>	<u>600.000</u>	<u>7.500.000</u>
<b>Balance at 30 June/31 December</b>	<u>600.000</u>	<u>7.500.000</u>	<u>600.000</u>	<u>7.500.000</u>

### 28. Borrowings

	30 June 2023	31 December 2022
	EUR	EUR
<b>Current borrowings</b>		
Bank loans	40.671.965	40.535.425
Trade loans payable	<u>68.678.174</u>	-
	<u>109.350.139</u>	<u>40.535.425</u>
<b>Non-current borrowings</b>		
Bonds payable	100.250.898	144.996.605
Trade loans payable	<u>605.464.319</u>	<u>698.218.080</u>
	<u>705.715.217</u>	<u>843.214.685</u>
<b>Total</b>	<u>815.065.356</u>	<u>883.750.110</u>

The bank loans are secured by floating charge against Group's financial instruments held within the portfolio.

The effective interest rates on short-term bank loans are 3,75%.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 28. Borrowings (continued)

The bonds payable are subject to a floating interest rate equal to annual Euro Libor rate on a drawing date plus a margin of 2,65% and 2,80% per annum, and are repayable by the year 2030.

Maturity of non-current borrowings:

	30 June 2023	31 December 2022
	EUR	EUR
Within one year	109.350.139	40.535.425
Between one and five years	705.715.217	843.214.685
	<u>815.065.356</u>	<u>883.750.110</u>

### 29. Trade and other payables

	30 June 2023	31 December 2022
	EUR	EUR
Trade payables	7.331.611	3.367.590
Social insurance and other taxes	29.130	24.154
Payable to related parties (Note 32.3)	3.978.592	3.755.895
VAT	-	12.430
Accruals	894.489	2.440.719
Other creditors	433.702	1.587.570
Deferred income	867.780	2.590.292
	<u>13.535.304</u>	<u>13.778.650</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### 30. Current tax liabilities

	30 June 2023	31 December 2022
	EUR	EUR
Corporation tax	229.586	-
Special contribution for defence	-	1.374
	<u>229.586</u>	<u>1.374</u>

### 31. Operating Environment of the Group

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 31. Operating Environment of the Group (continued)

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Group has the following exposures in the Russian Federation:

- Loans receivables
- Financial interests at fair value
- Bank accounts

Operating in Russia, Belarus and Ukraine involves some risk of political instability, which may include changes in government, negative policy shifts and civil unrest. Financial and economic sanctions imposed by the global community on certain sectors of the Russian economy as well as businesses and individuals in Russia in the first quarter of 2022 and ever since, and the counter-measures imposed by Russia on the United States of America, United Kingdom and European Union, may potentially pose a risk to the Group's operations. These factors may have a negative impact on the Group's supply arrangements, capital flows and ability of the Group to secure external financing.

The Group actively monitors political developments on an ongoing basis. However, the macroeconomic situation in Ukraine, Russia and Belarus is out of Management's control. The scope and impact of any new potential sanctions (and any counter-sanctions) is yet unknown, however they might further affect key Russian financial institutions as well as companies operating in the Russian Federation and Belarus.

Increased volatility on the global markets and fluctuations in foreign exchange rates may also impact the operations of the Group.

Management has considered the unique circumstances that could have a material impact on the business operations and the risk exposures of the Group and has concluded that the main impacts on the Group's profitability/liquidity position may arise from:

- interruptions or stoppage of production in affected areas and neighboring countries
- damage or loss of inventories and other assets e.g., buildings in conflict zones in Ukraine
- closure of roads and facilities in affected areas
- disruption in banking systems and capital markets
- supply-chain and travel disruptions in Eastern Europe
- seizure of assets by government authorities
- unavailability of personnel
- reductions in sales and earnings of business in affected areas
- increased costs and expenditures
- cyberattacks
- restriction on cash balances
- impairments of financial and non-financial assets

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 31. Operating Environment of the Group (continued)

- delays in planned business expansion
- increased volatility in the value of financial instrument
- reduced tourism
- disruption in travel and other leisure activities
- increase in expected credit losses from trade receivables, debt investments and intercompany loans
- failure to meet contractual obligations and breach of loan covenants, triggering of subjective covenants (e.g., material adverse change clauses), amendments, or waivers in lending agreements, and/or debt default volatility/abnormally large changes in equity or debt securities, prices, commodity prices, foreign currency exchange rates, and/or interest rates after 30 June 2023 that will significantly impact the measurement of assets in the next 12 months
- announcing plans of discontinuance of major assets disposals

Management is in the process of reassessing their trading and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs, taking into consideration the main impacts identified above.

Management will continue to monitor the situation closely and assess/seek additional measures/committed facilities as a fall-back plan in case the crisis becomes prolonged.

### 32. Related party transactions

The Company is listed to the Cyprus Stock Exchange Emerging Companies Market and its shares are spread towards various foreign and Cyprus based legal entities and various Cyprus resident and non-resident individuals.

The following transactions were carried out with related parties:

#### 32.1 Loans to related parties (Note 22)

			30 June 2023	31 December 2022
	<u>Maturity</u>	<u>Interest rate:</u>	EUR	EUR
D&B Real-Estates Investment (Hungary)	31/10/2027	2,80% plus 12 months Euribor	<b>12.104.856</b>	11.848.265
Duna Terasz Grande Ingatlanforgalmazo KFT (Hungary)	31/12/2024	2,80% plus 12 months Euribor	<b>45.092.378</b>	49.143.652
Grenton Sp.z o.o. (Poland)	01/06/2027	4,75%	<b>384.623</b>	357.930
Romeo Ltd.	12/03/2028	2,50%	<b>1.450.026</b>	-
Kruszywa Skalne Sp. z o.o.(Poland)	11/02/2026	12 month EURIBOR plus 4% (after the second year)	<b>5.850.000</b>	5.760.000
Key Altea Grande, S.L. (Spain)	17/01/2027	3% plus 12 months Euribor	<b>842.906</b>	126.516
Key Enterprises Developments,S.L. (Spain)	20/06/2025	3% plus 12 months Euribor	<b>8.861.337</b>	8.692.332
Key Premium Development, S.L.(Spain)	20/03/2027	3% plus 12 months Euribor	<b>1.973.531</b>	1.912.640
LLC Hotel	17/10/2024	5%	<b>226.517</b>	201.748
JSC ASTRA	16/02/2024	7,5%	<b>1.696.920</b>	1.999.654
JSC VIMS	16/02/2026	7%	<b>2.647.496</b>	3.222.502
Duna Terasz Green	31/12/2027	2,8% plus 12 months Euribor	<b>14.519.937</b>	14.258.739
Duna Terasz Admin	31/12/2027	3% plus 12 months Euribor	<b>367.672</b>	361.063
			<b><u>96.018.199</u></b>	<b><u>97.885.041</u></b>



# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 32. Related party transactions (continued)

#### 32.2 Receivable from related parties (Note 24)

	30 June 2023	31 December 2022
	EUR	EUR
Receivable from related parties	<u>3.181.063</u>	<u>3.552.175</u>
	<u>3.181.063</u>	<u>3.552.175</u>

The receivable from related parties is interest free, and has no specified repayment date.

#### 32.3 Payables to related parties (Note 29)

	30 June 2023	31 December 2022
	EUR	EUR
Payables to related parties	<u>3.978.592</u>	<u>3.755.895</u>
	<u>3.978.592</u>	<u>3.755.895</u>

The payables to related parties are interest free, and have no specified repayment date.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 33. Significant subsidiaries

As at 30 June 2023, the Group includes the Company and the below listed subsidiaries. Material subsidiary Wing Hang Enterprises Ltd was incorporated in Hong Kong on 30 August 1999 as a private company with limited liability and transferred domicile to Nevis on 5 December 2003. From 5 July, 2017, Wing Hang Enterprises Limited was registered in accordance with section 354H of the Companies Law Cap. 113, as a company continuing in the Republic of Cyprus under the name of Wing Hang Enterprises (Cyprus) Limited. Elbridge Investments (Cyprus) Limited was incorporated in Cyprus on 23 February 2001 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113, with registration number HE118464. The principal activities of the Group comprise the trading in financial instruments, the receiving and granting of loans, the ownership and leasing of residential property, the distribution and provision of telecommunication equipment and the completion of networking solutions, wireless and wired.

			30 June 2023	31 December 2022
			%	%
Wing Hang Enterprises (Cyprus) Limited	Cyprus	Trading in financial instruments and receiving and granting of loans	100	100
Kirnione Holdings Limited	Cyprus	Trading in investments and investment of its funds	100	100
Winncom Technologies Holding Limited	Ireland	Investment holding Company	67	67
Elbridge Investments (Cyprus) Limited	Cyprus	Financing activities, comprising of borrowing and lending of own and borrowed funds. Additionally, the Company invests in marketable securities via high caliber local and international financial institutions and brokers and is actively investing and seeking opportunities in the real estate industry in Cyprus and abroad.	100	100
Alodie Properties Limited	Cyprus	Holding of properties for investment purposes	100	100
Lostmperi Holdings Limited	Cyprus	Holding of investments	100	100
Aeliano Enterprises Limited	Cyprus	Holding of investments and the receiving and granting of loans	89,7459	89,7459

The Group owns a 89,7459% shareholding in Aeliano Enterprises Limited (Cyprus) via the investment in subsidiary Lostmperi Holdings Limited.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

### 34. Contingent liabilities

Pursuant to the terms of the Contract of Surety concluded on 21 November 2017 between Grenton Limited (the "Borrower"), registered in Poland and Lostmperi Holdings Limited (the "Lender"), registered in Cyprus, in the event of a failure by the Lender to provide the loan to the Borrower, Elbridge Investments (Cyprus) Ltd will be granting the surety in the form of a guarantee to the benefit of the Borrower to pay the Loan up to the amount of the equivalent of EUR 1.000.000 in PLN, until 31 December 2023.

The Group had no other contingent liabilities as at 30 June 2023 and as at 31 December 2022.

### 35. Commitments

At the date of signing of these financial statements, the total commitments of Elbridge Investments (Cyprus) Ltd relating to the financial assets at fair value through profit or loss equals to US\$1.632.037 and EUR 5.625.570 (31 December 2022: US\$1.748.175 and EUR 6.511.105).

The Group had no other capital or other commitments as at 30 June 2023 and 31 December 2022.

### 36. Legal issues

In May 2018 it came to Elbridge Investment (Cyprus) Ltd ("ELCY") attention that one of its Borrowers based in Russia was subject to a court application. ELCY has two loans outstanding with the said Borrower, secured by a mortgage and a guarantee by a third party in favour of ELCY.

In May 2018 a notice of an intention to apply for insolvency of the Borrower and the Pledgor respectively was published. In this connection ELCY, after some attempts to demand an early repayment of debts and foreclosure of the subject of pledge directly from the Borrower and the Guarantor, submitted an application to Court, in early 2019, for initiation of bankruptcy procedures over the Borrower, and a claim on collection of the Borrower's debt from the Guarantor by foreclosure of the subject of Pledge. During second half of 2019, supervision procedures with appointment of temporary managers were commenced over the Pledgor and the Borrower.

At that stage, the Court considers claims of other creditors to the Borrower towards formation of the complete list of creditors so as to proceed to the next steps of the bankruptcy procedure, as anticipated, in the second half of 2021.

On the case of bankruptcy of the Pledgor, ELCY's claim was included in the Register of secured claims by the Court decision in August 2020. In December 2020, bankruptcy manager was appointed in the Pledgor, and it was expected that bankruptcy manager should be able to commence public auctions in order to dispose the pledged properties around December 2021. Eventually, the ruling of the Arbitration court of Moscow of December 13, 2021 prolonged the procedure of bankruptcy proceeding concerning the debtor for eleven months, the court session for consideration of the report of the bankruptcy manager was appointed by the Arbitration court of Moscow for November 9, 2022.

The procedure of bankruptcy proceedings concerning the debtor was prolonged by the ruling of the Arbitration court of Moscow dated December 05, 2022 for six months, the court session for consideration of the bankruptcy manager's report is appointed by the Arbitration court of Moscow on December 18, 2023.

### 37. Events after the reporting period

As explained in Note 31 the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

Depending on the duration of the conflict between Russia and Ukraine, and continued negative impact on economic activity, the Group might experience further negative results, and liquidity restraints and incur additional impairments on its assets in 2023 which relate to new developments that occurred after the reporting period.

Except from the matter mentioned above, there were no other material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.